August 22, 2008
To: Whom it may concern

Corporate Name: Net One Systems Co., Ltd.
President & CEO: Takayuki Yoshino
(Code: 7518 First Section of Tokyo Stock Exchange)
Director: Norihisa Katayama
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   Telephone: 03-5462-0803

Acquisition of shares of Xseed Co., Ltd.
to establish a subsidiary applying equity method

In board of Directors meeting dated August 22, 2008, Net One Systems has resolved as follows to subscribe to a Xseed Co., Ltd’s (Headquarters: Shibuya-Ku, Tokyo, President & CEO: Yoshinori Suzuki) third party allocation of new shares.

1. Reason for acquisition of shares
   Xseed’s strength is the operating technology for hosting service using virtual technology and has a record of good performance based on its advanced technology. The decision to purchase shares of Xseeds is based on the determination that strengthened relationship with Xseed will lead to furthering value added services for our cloud computing business.
   Due to the acquisition of shares announced today, Xseed Co., Ltd. will become a subsidiary applying equity method.

2. Summary of the capital increase
   (1) Number of issued shares Common stocks 320 shares
   (2) Price of issued shares 270,000 yen per share
   (3) Amount of capitalization 43,200,000 yen
   (4) Amount from capital reserve 43,200,000 yen
   (5) Allocated to Net One Systems Co., Ltd.
   (6) Stock payment date September 30, 2008

3. Summary of Xseed
   (1) Corporate Name Xseed Co., Ltd.
(2) Representative          President & CEO Yoshinori Suzuki
(3) Location of the headquarter  36-13, Ebisu 2-Chome, Shibuya-Ku, Tokyo
(4) Date of establishment       September 21, 2006
(5) Details of the main businesses   Planning, designing and building and operating
                                     information system infrastructure and hosting
                                     business
(6) End of accounting term      December
(7) Number of employees         20 (as of July 1, 2008)
(8) Main office                 Shibuya-Ku, Tokyo
(9) Capital                     31M yen
(10) Total number of outstanding stocks   620 shares (subsequent to increase in capital, 940
                                             shares)
(11) Major shareholder and percentage of ownership
                                             Yoshinori Suzuki (100%)
                                             (Subsequent to capital increase)
                                              Yoshinori Suzuki (60%)
                                              Net One Systems (34%)
(12) Performance trends during recent fiscal years

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year ended December 2006 (Note)</th>
<th>FY ended December 2007</th>
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<tbody>
<tr>
<td>Sales</td>
<td>27M yen</td>
<td>161M yen</td>
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<tr>
<td>Gross profit on sales</td>
<td>11M yen</td>
<td>95M yen</td>
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<tr>
<td>Operating profit</td>
<td>1M yen</td>
<td>9M yen</td>
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<tr>
<td>Ordinary profit</td>
<td>0M yen</td>
<td>1M yen</td>
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<td>Current net income</td>
<td>0M yen</td>
<td>0M yen</td>
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<tr>
<td>Total assets</td>
<td>210M yen</td>
<td>62M yen</td>
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<tr>
<td>Net assets</td>
<td>31M yen</td>
<td>32M yen</td>
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<tr>
<td>Net assets per share</td>
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(Note) As Xseed Co., Ltd. was established in September 2006, figures for FY ended December 2006 was irregular.

4. Applicable dates
   August 22, 2008       Resolution of board of directors
   September 30, 2008    Date of transfer

5. Effect on performance
   The effect of the subscription to allocation of shares will have minimal effect on consolidated
   performance for FY ending March 2009.